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SUBJECT: MALAYSIA'S NEW APEC SENIOR OFFICIAL STRESSES CONTINUITY

¶1. (U) Econoff paid a courtesy call on Malaysia's new Senior Official to APEC, Abdul Ghafar Musa, on April 11. Ghafar, who holds the rank of Senior Director in the Ministry of International Trade and Industry (MITI), was joined by Principal Assistant Director Masaida Buang and Assistant Director Firdaos Rosli. Ghafar noted from the outset that Malaysia's current goals for APEC largely mirror those of the U.S. Malaysia strongly supports efforts to refocus APEC on trade and investment issues, to strengthen APEC's institutions, and to include on APEC's agenda those security issues that are most relevant to trade and investment. Ghafar also told econoff that Malaysia supports extension of the moratorium on new members until at least 2010. Malaysia believes existing members must make more progress towards achieving the Bogor goals on trade liberalization before incorporating new members.

¶2. (U) Ghafar noted that Malaysia is interested in the long-term prospect of negotiating a Free Trade Area of the Asia Pacific (FTAAP). However, he argued that pursuit of further trade liberalization through the WTO's Doha Round needed to remain the first priority for APEC members. Malaysia supports APEC's continuing efforts to create model measures for FTAs and Regional Trade Agreements, which could help pave the way not only to an eventual FTAAP but also assist countries like Malaysia as they pursue bilateral FTAs. APEC's involvement in various forms of capacity building, whether in an FTA/RTA context or not, was an area of particular interest for Malaysia and would continue to receive strong support, Ghafar added.

¶3. (U) One issue of particular concern to Malaysia was the possibility that some APEC decisions could be made binding on its members. Ghafar told econoff that Malaysia would push back strongly against any such efforts. Voluntary adherence to APEC guidelines has been a cornerstone since the group's founding, and Malaysia would be unwilling to sacrifice the policy flexibility that would disappear with binding decisions.

¶4. (SBU) Comment and biographical note: Ghafar rotated into the position as Malaysia's Senior Official after his predecessor's unexpected departure just a couple of months into the job. At this point it is unclear how secure Ghafar's hold is on the position. Ghafar has worked for several years in the industry side of MITI, and previously served overseas for nine years in Japan, both in Tokyo and in Osaka. He fondly recalled his participation in the International Visitors Program in 1984. He has not visited the United States in ten years. Ghafar told us he looks forward to his first meeting with the U.S. Senior Official to APEC, Ambassador Michael Michalak, next week at SOM II in Adelaide.

LAFLEUR